

July 9, 2003

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
2nd Floor
Boston, MA 02110

Re: D.T.E. 03-62 – Comments of Massachusetts Electric Company and Nantucket Electric Company regarding the Department’s Proposal to Use the New England Generation Information System to Comply with 220 C.M.R. § 11.06 *et seq.*

Dear Secretary Cottrell:

In response to the Department’s June 13, 2003 request for comments on the Department’s proposal to use the New England Generation Information System (“NE-GIS”) as the sole basis for the fuel source, emissions, and labor information included in the disclosure labels required by the Information Disclosure Requirements found at 220 C.M.R. § 11.06 *et seq.* (“Disclosure Label”), Massachusetts Electric Company and Nantucket Electric Company (together, the “Company”) submit the following comments. The Company appreciates the opportunity to provide these comments.

A. Use of NE-GIS to Comply with the Information Disclosure Requirements

The Company supports the use of NE-GIS as the sole source of fuel source, emissions, and labor information to meet the Information Disclosure Requirements set forth in 220 C.M.R. § 11.06 *et seq.* As pointed out by the Department in its NOI, the utilization of NE-GIS would further the objectives of 220 C.M.R. § 11.06 *et seq.* NE-GIS would provide competitive suppliers and electric distribution companies with an efficient means to demonstrate compliance with various state regulatory requirements. It would also provide customers with consistent information by which to evaluate the services offered by competitive suppliers and electric distribution companies. Furthermore, it would simplify the Department’s task of measuring compliance with 220 C.M.R. § 11.06 *et seq.* because all competitive suppliers and electric distribution companies would achieve compliance with the Information Disclosure Requirements and create their Disclosure Labels using the uniform and standardized data provided by NE-GIS.

Before the use of NE-GIS data can be fully realized, however, the Department must either map the fuel sources reported by NE-GIS with the power sources currently

reported under the Information Disclosure Requirements or replace the current Disclosure Label power sources with the NE-GIS fuel sources. This step is necessary to simplify Disclosure Label reporting requirements and to ensure the consistency and uniformity of the Disclosure Labels provided by competitive suppliers and electric distribution companies. Attachment A provides a list of the current Disclosure Label power sources and NE-GIS fuel sources. As the table in Attachment A demonstrates, some of the fuel types for the Disclosure Label power sources in the first column do not match or need to be mapped to the Residual Mix fuel sources in the second column.

In addition, in order to fully realize the potential of NE-GIS, the Department, NE-GIS, or the Department of Environmental Protection should provide the New England regional average emissions and system power information to competitive suppliers and electric distribution companies to use as the benchmark of comparison in their Disclosure Labels, because competitive suppliers and electric distribution companies do not have access to this information. The New England Residual Mix information that is currently provided by NE-GIS is not the same as the regional average system power information. The Residual Mix does not include any generation certificates reflecting positive environmental attributes that may be transferred into a given competitive supplier or electric distribution company's NE-GIS sub-account. This makes the Residual Mix information look worse in comparison to the regional average system power information. Accurate and current regional average emissions and system power information is necessary to make the Disclosure Labels as useful and informative as possible.

B. Transition Issues

In general, the Company advocates a flexible approach during the transition to the use of NE-GIS data. More specifically, the Company recommends that the Department implement a short-term exception to 220 CMR § 11.06(2)(d)(1)(b), which requires that the Disclosure Label be based on information from the most recent twelve-month period. Only three months of NE-GIS data will be available in October 2003, when the Department proposes to first require the use of NE-GIS data in the creation of the Disclosure Labels. The Company recommends that competitive suppliers and electric distribution companies be allowed to create their Disclosure Labels based on the three months of data available in October 2003 and update their Disclosure Labels, as appropriate, when more NE-GIS data becomes available in January 2004, April 2004, and so on.

C. Verification of Load Reporting Accuracy

One concern with the utilization of NE-GIS data is the verification of the accuracy of a given supplier's load obligation information. In order to provide a supplier's load obligation information efficiently and accurately to both the Department and the Division of Energy Resources ("DOER"), the Company proposes that the entity designated as the Assigned Meter Reader (as defined in NEPOOL market rules) for ISO market system

settlement hourly load data provide to the Department and the DOER a summary of the loads for which it has the responsibility to report. On a quarterly basis, the Assigned Meter Reader would provide a summary report to the Department and the DOER that provides the following information:

- Load Asset ID
- Load Asset Name
- Entity Making Retail Sale
- Load Zone of Load Asset
- Sum of Reported Load, by Month

This data could then be used by the Department and the DOER to verify the load data in the annual reports submitted by competitive suppliers or electric distribution companies, instead of having the load data verified by an independent auditor. By eliminating the requirement for an independent third-party audit, the costs to serve load in Massachusetts will be reduced, and concurrently, barriers to market entry for competitive suppliers will be reduced. These annual reports would include a list of the ISO market system Load Assets that competitive suppliers or electric distribution companies own and used in serving retail load in Massachusetts.

The Company thanks you for the opportunity to provide these comments.

Very truly yours,

Judy Y. Lee

cc: Service List

Attachment A

Comparison of Disclosure Label Power Sources to Residual Mix Fuel Sources

DISCLOSURE LABEL POWER SOURCES		RESIDUAL MIX FUEL SOURCES
Biomass		Biomass
		Wood
Coal		Coal
Hydro: Large		Hydroelectric/Hydropower
Hydro: Small		
Imported Power		System Mix
Municipal Trash		Municipal solid waste
		Trash-to-energy
Natural Gas		Natural Gas
Nuclear		Nuclear
Oil		Oil
		Diesel
		Jet
Other Renewable		Landfill gas
Solar		
Wind		Wind
		Composite